

Industrial Security

Interagency Group/Countermeasures
Countermeasures Macro Resource Data StudyGeneral Terms of ReferenceGeneral Objectives

The NSSD-2 Countermeasures Organization Study dated July 1983, prepared for the Senior Interagency Group (Intelligence) (SIG-I) by the Interagency Group/Countermeasures, recommended that countermeasure and countermeasure-related resource data be made sufficiently readily available (a) to enable better countermeasure program decisions by responsible program managers working in conjunction with OMB, and (b) to improve understanding of senior-level policymakers at the Cabinet and National Security Council/Senior Interagency Group level with respect to the broad expenditure decisions involved.

This recommendation was part of a larger finding that such countermeasure macro resource data is neither readily available for the United States Government as a whole nor within departments and agencies.

To provide meaningful comprehensive figures, however, terms of reference for individual countermeasure program data calls must clearly set forth what is included and what is not, as well as the rationale therefore. The level of resource data detail sought is only that needed for support of national policymaking, not for any central operational management. The latter lacks any Community support and could be detrimental to effective resource procurement as well as operational performance. This is because many of the

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countermeasures are operational military capabilities intended to support combat missions and because each agency or department using countermeasures must adapt them to its own operational environment.

When the SIG(I) considered the Countermeasures Organization Study and its recommendations at a 1 August 1983 meeting, the SIG(I) endorsed it and decided to proceed with compilation of the resource data, on a trial basis, allowing up to a year for its completion.

General Study Strategy

Because of the complexity of the subject and the relatively large number of countermeasure programs/activities involved, terms of reference (TOR) are being prepared and issued separately for each program/activity in consultation with the principal agencies/departments involved. The work may thus be accomplished sequentially in separate sections, with sequential deadlines for submission of resource data and related appropriate narrative.

Years Covered

Unless otherwise stated in the separate TORs, the data will cover Fiscal Years 1983 (actual history), 1984 (current year) and 1985 (budget year).

General Data Content

Resource data from existing programs and program elements will be used to the extent pertinent. Since most countermeasure programs are variously funded, however, new calculations of aggregate direct and indirect costs may be required at times to better reflect the costs involved, e.g., estimated costs for contractors to meet particular countermeasure program requirements which are factored into their overhead and their resultant contract charges.

Countermeasure Macro Resource Data Study
Industrial Security Countermeasures Program

Terms of Reference

1. Coverage, Including Definition

Industrial security encompasses countermeasures to achieve physical security; security against compromising emanations (TEMPEST); and the security of personnel, information, and communications as applied to contractors of the U.S. Government for the protection of classified information within their possession. Most of the U.S. Government's effort in this area comes within the scope of the Defense Industrial Security Program (DISP), a comprehensive activity developed and administered by DoD for itself and 18 other agencies.

Although the five security programs cited above constitute the principal cost components of industrial security, costs which contractors factor into their overhead with resultant contract charges, there are other costs covered by this TOR which are unique to industrial security. These are set forth in Section 3 further below.

For the purposes of this study, if a department or agency at present includes those industrial security costs which are covered herein as part of/together with another program, the costs ascribable to industrial security should be pulled out and reported upon in accordance with the requirements set forth further below.

2. Agencies Involved

Agencies from which industrial security resources data is needed are the Central Intelligence Agency; the Departments of Defense, Energy, Justice, and

Treasury; Federal Bureau of Investigation; Federal Emergency Management Agency; National Aeronautics and Space Administration; and the Nuclear Regulatory Commission. Within DoD, the component of the Defense Investigative Service (DIS) which administers DISP is particularly important. DIS industrial security costs for all agencies it services should be reported by DIS since no costs are reimbursable.

The 18 agencies in DISP, as a result of written agreements reached by them with the Secretary of Defense, include the National Aeronautics and Space Administration; General Services Administration; Small Business Administration; National Science Foundation; Environmental Protection Agency; Federal Emergency Management Agency; Federal Reserve Board; General Accounting Office; U.S. Arms Control and Disarmament Agency; and the Departments of State, Commerce, Treasury, Transportation, Interior, Agriculture, Health and Human Services, Labor, and Justice.

If possible, DIS should also include the full, i.e., internal, industrial security costs of all the agencies it services under DISP, except for those four of the 18 above (FEMA, NASA, Justice and Treasury) which are requested to report directly. DIS should similarly also include the industrial security costs for its servicing of the military services and joint or other DoD organizations.

3. Resource Data Breakdown

Each department/agency should cite the specific programs and program elements on which its resources expended for industrial security are carried, and should provide the totals involved for each. The definition and/or scope

of each such program/program element should be given and the responsible department/agency offices cited.

In all cases, resource totals for dollars and manpower should be provided for each of the three fiscal years 1983-85, broken down into totals for (a) all costs including the industrial security-related costs for physical and TEMPEST security and the security of personnel, information, and communications, as well as all other costs; plus (b) those costs which are unique to industrial security and not included in the costs of countermeasure programs for which resource data is being collected under separate TORs. All of these preceding costs apply not only to regular contractual relationships but also to those pertinent to Special Access Programs* and "Carve Out" contracts.**

Costs unique to industrial security include:

- Administration, including general and specialized training, industrial security education, records maintenance and management, clerical support, industrial security management information systems, and supervision (including policy and guidance).
- Oversight, including surveys, inspections, and monitoring of activities.

*Special Access Programs control access, distribution, and protection of particularly sensitive information.

**A "Carve Out" contract is a classified contract issued in connection with an approved Special Access Program. It entails special security arrangements so as to better safeguard control and access to certain activities.

- Investigation and adjudication to determine foreign ownership, control, or influence (FOCI) of industrial facilities.
- Site threat and vulnerability surveys and analyses incident to application of OPSEC (operational security) measures.
- Procedures pertaining to U.S. patent agents engaged in filing classified patent applications for foreign governments.
- Administrative aid for industrial security purposes to U.S. industry in their marketing, liaison, and technical assistance activities outside the U.S.

FBI should include its Development of Counterintelligence Awareness Program (DECA) in its unique industrial security-related costs.

4. Outline

See separate pages herewith for format for presentation of resource data (dollars and manpower) with explanatory footnotes re programs/program elements involved, which should also identify the pertinent responsible department/agency offices. Data is called for on all costs, including those which are also included in the resource data being collected on countermeasure programs which overlap with industrial security, e.g., physical security, as well as for that portion of the preceding total which relates to costs which are unique to industrial security as set forth in the preceding section. A separate page should be used for each of the three fiscal years being covered. Data should be classified according to content.

5. Program/Budget Preparation and Review Process

The offices responsible for each pertinent program/program element of

each reporting department/agency should be cited in a summary narrative accompanying the resource data (with explanations) provided under the outline above.

The narrative should also summarize the preparation/review/approval process by:

- a. Identifying the principal action/decision points (offices, officials) involved;
- b. giving their major related responsibilities and objectives; and
- c. pointing out any linkages with other programs/activities and/or programs/program elements which the preparation/review/approval process takes into account.

Finally, the specific responsible/involved component(s) of the Office of Management and Budget should also be cited for each program/activity and/or program element discussed above. (If not readily available to a reporting component, the identification of responsible/involved OMB components will be obtained directly from OMB by the Community Counterintelligence Staff Study Director.)

4. Industrial Security Outline

All figures and explanations are to be prepared and submitted by the agency/department involved.

<u>Department/ Agency</u>	<u>Total Costs</u> \$ <u>Manpower</u>	<u>Unique Costs</u> \$ <u>Manpower</u>	<u>Program/Program Elements Explained</u>
a. <u>DoD</u>			
(1) <u>DIS</u>			
(2) <u>Army*</u>			
(3) <u>Navy*</u>			
(4) <u>Air Force*</u>			
(5) <u>NSA*</u>			
(6) <u>DIA*</u>			
(7) <u>ALL Other**</u>			
b. <u>CIA</u>			
c. <u>DoE</u>			
d. <u>DoJ</u>			
e. <u>Treasury</u>			
f. <u>FBI</u>			
g. <u>FEMA</u>			
h. <u>NASA</u>			
i. <u>NRC</u>			

*Since DIS will be reporting figures which include DoD industrial security costs minus those for Special Access Programs/"Carve Out" Contracts, the latter should be reported by all other DoD reporting elements, plus any other costs not reported by DIS.

**To be prepared by OSD.